

***CITY OF GALENA, KANSAS***

Annual Financial Report

*For the Year Ended December 31, 2014*

MENSE, CHURCHWELL & MENSE, P.C.  
Certified Public Accountants

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CHRIS D. CHURCHWELL, C.P.A.  
EUGENE M. MENSE III, C.P.A.

To the Mayor and Member of the City Council  
City of Galena, Kansas

### INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Galena, Kansas, as of and for the year ended December 31, 2014 and the related notes to the financial statement.

#### *Management's Responsibility for the Financial Statement*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Galena, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Galena, Kansas as of December 31, 2014, or changes in financial position and cash flows thereof for the year then ended.

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

The fund summary statement of regulatory receipts, expenditures, and unencumbered cash balances does not include the Hospital Fund. The amount by which this omission would affect the receipts, expenditures and unencumbered cash has not been determined.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Galena, Kansas as of December 31, 2014, and the aggregate receipts and expenditures for the year ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and

certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.



Mense, Churchwell & Mense, P.C.  
Certified Public Accountants

Joplin, Missouri  
August 31, 2015

**CITY OF GALENA, KANSAS**  
**Summary Statement of Receipts, Expenditures, and Unencumbered Cash**  
**For the Year Ended December 31, 2014**

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add:	
						Encumbrances and Accounts Payable	Ending Cash Balance
<b>General Funds:</b>							
General	\$ (31,192)	\$ -	\$ 1,530,611	\$ 1,443,051	\$ 56,368	\$ 19,323	\$ 75,691
<b>Special Purpose Funds:</b>							
Police Training	11,190	-	1,345	-	12,535	-	12,535
Police DUI	6,093	-	485	-	6,578	-	6,578
Drug Seizure	6,567	-	-	-	6,567	-	6,567
Fire Chassis	78,315	-	21,999	43,566	56,748	-	56,748
City Attorney Training	779	-	270	-	1,049	-	1,049
Duty Attorney DUI	344	-	161	-	505	-	505
Park Improvement	29	-	-	-	29	-	29
City Beautification	281	-	-	-	281	-	281
Landfill	208,603	-	104,028	263,266	49,365	4,789	54,154
Special Highway	5,814	-	127,942	124,736	9,020	9,297	18,317
Employee Benefits	100,552	-	164,615	183,994	81,173	38,328	119,501
Special Liability	24,144	-	14,045	4,350	33,839	-	33,839
Special Parks and Recreation	8,387	-	4,061	9,012	3,436	-	3,436
Library	-	-	45,399	45,399	-	-	-
Ambulance Service	-	-	190,528	190,528	-	15,877	15,877
Noxious Weeds	2,654	-	-	299	2,355	-	2,355
Cemetery Perpetual Care Interest	1,043	-	89	-	1,132	-	1,132
Equipment Reserve	3,672	-	13,244	-	16,916	-	16,916
Sewer Equipment Reserve	15,275	-	10,254	-	25,529	-	25,529
Monofill - Bluehole	13,837	-	1,000	14,800	37	-	37
Zeliken	5,683	-	-	-	5,683	-	5,683
Special Water	57,076	-	12,000	6,303	62,773	-	62,773
<b>Bond and Interest Funds:</b>							
Bond and Interest	-	-	140,366	125,981	14,385	-	14,385
<b>Trust Funds:</b>							
Cemetery Perpetual Care	125,744	-	234	-	125,978	-	125,978

The notes to the financial statement are an integral part of this statement.

**CITY OF GALENA, KANSAS**  
**Summary Statement of Receipts, Expenditures, and Unencumbered Cash**  
**For the Year Ended December 31, 2014**

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add:	
						Encumbrances and Accounts Payable	Ending Cash Balance
<b>Business Funds:</b>							
Water	\$ (39,643)		\$ 611,883	\$ 523,092	\$ 49,148	\$ 29,243	\$ 78,391
Customer Deposits	82,883	-	12,456	12,741	82,598	-	82,598
Water Meter Fund	75,629	-	7,798	11,854	71,573	70	71,643
Sewer	391,293	-	411,421	646,921	155,793	8,066	163,859
Sewer 2001 Bond Reserve	60,975	-	15,250	76,225	-	-	-
Sewer 2001 Principal and Interest	14,606	-	281,410	296,016	-	-	-
Solid Waste	25,121	-	246,689	262,597	9,213	14,901	24,114
<b>Total Reporting Entity</b>	<b>\$ 1,255,754</b>	<b>\$ -</b>	<b>\$ 3,969,583</b>	<b>\$ 4,284,731</b>	<b>\$ 940,606</b>	<b>\$ 139,894</b>	<b>\$ 1,080,500</b>
<b>Composition of Cash</b>							
					Cash on Hand		\$ 175
					Checking Accounts		717,438
					Certificates of Deposit		360,887
					U.S. Savings Bonds		2,000
					<b>Total Reporting Entity</b>		<b>\$ 1,080,500</b>

The notes to the financial statement are an integral part of this statement.



**CITY OF GALENA, KANSAS**  
Notes to Financial Statement  
December 31, 2014

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**I.A. INTRODUCTION**

The City of Galena, Kansas, was incorporated in 1877 and operates as a second class city under the statutes of the State of Kansas, (KSA 14-101 et. seq.). The City operates under a Mayor – Council form of government. Major services provided by the City include: Public Safety – Police and Fire, Highways and Streets, Sanitation, Health, Recreation, Public Improvements, Planning and Zoning, and General Administrative Services. The City also provides water and sewer utility services.

**I.B. MUNICIPAL FINANCIAL REPORTING ENTITY**

The financial statement presents the City of Galena, Kansas, (the municipality) as defined in K.S.A. 75-1117. The municipal financial reporting entity includes the municipality and any included related municipal entities. A related municipal entity is any legally separate municipal organization which was established to benefit the municipality or its' constituents.

A description of each related municipal entity and its relationship to the municipality is disclosed below for informational purposes. These entities are not included in the financial statement.

The following paragraphs briefly describe each related municipal entity addressed in defining the municipal financial reporting entity. Further information regarding these entities, their financial statements, and/or operations may be obtained by contacting the entities directly.

1. Library Board – The City of Galena, Kansas Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City.
2. Housing Authority – The City of Galena, Kansas appoints the members of the Local Housing Authority. The City of Galena, Kansas Housing Authority operates the City's housing projects. The Housing Authority can sue and be sued, and can buy, sell, or lease real property. The City must approve Bond issues.

**CITY OF GALENA, KANSAS**  
Notes to Financial Statement  
December 31, 2014

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I.C. Regulatory Basis Fund Types**

The accounts of the City are organized into funds each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separated set of self-balancing accounts. The following funds are used by the City:

**General Fund** – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose Fund** – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

**Bond and Interest Fund** – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

**Capital Project Fund** – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

**Business Fund** – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.)

**Trust Fund** – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.)

**Agency Fund** – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.)

**CITY OF GALENA, KANSAS**  
Notes to Financial Statement  
December 31, 2014

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I.D. BASIS OF ACCOUNTING**

*Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.* The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in a regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

**I.E. BUDGETARY INFORMATION**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget.

1. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The City amended the General, Special Highway, Special Parks and Recreation, Landfill, Fire Chassis, Solid Waste and Hospital fund during the year.

**CITY OF GALENA, KANSAS**  
Notes to Financial Statement  
December 31, 2014

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I.E. BUDGETARY INFORMATION (CONTINUED)**

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose fund:

Special Liability Fund  
Equipment Reserve Fund  
Sewer Equipment Reserve Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

**I.F. ASSETS AND LIABILITIES**

**I.F.1. Cash and Investments**

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pool cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in time deposits.

Additional cash and investment information is presented in Note III.A.

**CITY OF GALENA, KANSAS**  
Notes to Financial Statement  
December 31, 2014

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I.F. ASSETS AND LIABILITIES (CONTINUED)**

**I.F.2. Compensated Absences**

The City's policies regarding vacation and sick pay state that all full-time employees shall receive one to four weeks' vacation time per year depending on their length of employment. Upon termination of service, after the first year, an employee is entitled to pay for unused accrued vacation leave.

Full-time employees shall be entitled to personal leave with pay, which shall accumulate at the rate of 5.33 hours per month for any employment period after January 1, 2007. Part-time employees do not accrue personal leave.

It was impracticable to determine the accumulated unpaid vacation and sick pay. However, City officials estimated the amount not to be material.

**I.G. RECEIPTS AND EXPENDITURES**

**I.G.I. Sales Tax**

The City of Galena, Kansas levies a sales tax on taxable sales within the City. The tax is collected by the Kansas Department of Revenue and remitted to the City. The tax is placed in the General Fund to provide city services.

**I.G.2. Property Tax**

Property taxes are an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable one-half on December 20<sup>th</sup> and one-half on May 10<sup>th</sup> of the ensuing year. Unpaid taxes become delinquent after the due dates.

The assessed valuation of tangible property for the calendar year 2014 for the purposes of taxation was \$14,119,520.

The tax levy per \$100.00 of assessed valuation of tangible property for the calendar year was \$6.08. The levy is composed of the sum of the legal tax levies for all funds with authorized levies.

**CITY OF GALENA, KANSAS**  
Notes to Financial Statement  
December 31, 2014

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I.G. RECEIPTS AND EXPENDITURES (CONTINUED)**

**I.G.2. Property Tax (Continued)**

Collection of current year property tax by the County Treasurer is not completed, apportioned, nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. These taxes are used to finance budgeted expenditures for the succeeding year in accordance with Kansas Statutes.

**I.G.3. Reimbursements**

A reimbursement is an expenditure initially made in one fund, but properly attributable to another fund. For example, it is common for the general fund to pay a vendor's bill and have portions of it reimbursed by other funds. In accounting for such reimbursements, the City of Galena, Kansas records an expenditure in the reimbursing fund, and a receipt in the reimbursed fund. For purposes of budgetary comparisons, the amount is shown as a qualifying budget credit in the reimbursed fund.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**II.A. COMPLIANCE WITH STATE STATUTES**

The Clerk does not maintain a record of each fund's indebtedness or budget balance available for appropriation. (K.S.A. 10-1117 and K.S.A. 79-2934)

The City Treasurer does not maintain records to show the amount of money in each fund. (K.S.A. 10-1118)

The Landfill, Special Highway, Sewer and Solid Waste Funds exceeded the budget. (K.S.A. 79-2935)

Claims may be given special treatment in order to earn discounts and avoid penalties under certain conditions. (K.S.A. 12-105a, 12-105b, 10-801 *et. Seq.*)

Lease purchase agreement, for the purchase of Tasers, does not conform with cash-basis law. (KSA 10-1116b)

**CITY OF GALENA, KANSAS**  
Notes to Financial Statement  
December 31, 2014

**III. DETAILED NOTES ON FUNDS AND ACCOUNTS**

**III.A. Deposits and Investments**

As of December 31, 2014, the City had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in Years)	Rating
		Less than 1	
United States Savings Bonds	\$ 2,000	\$ 2,000	N/A
Total Fair Value	<u>\$ 2,000</u>	<u>\$ 2,000</u>	

K.S.A. 9-1401 establishes the depositories which may be used by the Municipality. The statute requires banks eligible to hold the Municipality's funds have a main or branch bank in the county in which the Municipality is located or an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Municipality has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Municipality's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Municipality has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the Municipality may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The Municipality's allocation of investments as of December 31, 2014, is as follows:

Investments	Percentage of Investments
U.S. Government Savings Bonds	100%

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. State statutes require the Municipality's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Municipality does not designate "peak periods".

**CITY OF GALENA, KANSAS**  
Notes to Financial Statement  
December 31, 2014

**III. DETAILED NOTES ON FUNDS AND ACCOUNTS (CONTINUED)**

**III.A. Deposits and Investments (Continued)**

At December 31, 2014, the Municipality's carrying amount of deposits was \$1,078,324 and the bank balance was \$1,070,160. 71% of the bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$577,034 was covered by federal depository insurance, \$493,126 was collateralized with securities held by the pledging financial institutions' agents, but not in the City's name.

**III.B. Interfund Transfers**

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	Equipment Reserve	KSA 12-1,117	\$ 13,244
General	Fire Chassis	KSA 12-1,117	21,999
Landfill	General	KSA 12-825d	160,000
Landfill	Sewer 2001 Principal and Interest	KSA 12-825d	6,000
Landfill	Special Highway	KSA 12-825d	50,000
Landfill	Special Parks and Recreation	KSA 12-825d	2,800
Landfill	Monofill-Bluehole	KSA 12-825d	1,000
Water	Special Water	KSA 12-825d	12,000
Water	Water Meter	KSA 12-825d	7,798
Sewer	General	KSA 12-825d	200,000
Sewer	Sewer 2001 Bond Reserve	KSA 12-6310	15,250
Sewer	Sewer 2001 Principal and Interest	KSA 12-6310	275,409
Sewer	Sewer Equipment Reserve	KSA 12-1,117	10,254
Solid Waste	General	KSA 12-825d	45,000
Monofill - Bluehole	General	KSA 12-825d	13,000
Sewer 2001 Bond Reserve	Sewer	KSA 12-825d	76,225



**CITY OF GALENA, KANSAS**  
Notes to Financial Statement  
December 31, 2014

**III. DETAILED NOTES ON FUNDS AND ACCOUNTS (CONTINUED)**

**III.C. Restricted Assets**

The following amounts in the following funds are restricted as follows:

General Fund -	
Vehicle Inspection Fees (Law Enforcement)	<u>\$ 2,943</u>

**III.D. Conduit Debt Obligation**

From time to time, the City issues Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

The outstanding balance of \$5,000,000.00, City of Galena, Kansas Taxable Industrial Revenue Bonds, (Galena MOB Partners, LLC) Series 2012 was not available at December 31, 2014.

CITY OF GALENA, KANSAS  
Notes to Financial Statement  
December 31, 2014

**IV. Long-Term Debt**

Changes in long-term liabilities for the City for the year ended December 31, 2014, were as follows:

Issue	Interest Rates	Date of Issue	Amount Issued	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<b>General Obligation Bonds:</b>									
Series 2011	0.50% - 5.00%	5/24/2011	\$ 1,495,000	12/1/2031	\$ 1,340,000	\$ -	\$ 55,000	\$ 1,285,000	\$ 52,490
Series 2012	3.50%	8/27/2012	\$ 340,000	8/27/2042	333,409	-	6,822	326,587	11,669
Total General Obligation Bonds					\$ 1,673,409	\$ -	\$ 61,822	\$ 1,611,587	\$ 64,159
<b>Revenue Bonds:</b>									
Sewer - Series 2001	4.75%	4/25/2001	\$ 317,500	4/25/2041	\$ 276,000	\$ -	\$ 276,000	\$ -	\$ 20,016
<b>KDHE Loans:</b>									
Public Water Supply Revolving Loan	3.77%	9/11/2009	\$ 105,893	8/1/2030	\$ 92,802	\$ -	\$ 3,982	\$ 88,820	\$ 3,140
<b>Capital Leases Payable:</b>									
Police Tasers	0.00%	5/1/2014	\$ 3,665	5/1/2018	\$ -	\$ 1,480	\$ -	\$ 1,480	\$ -
Fire Truck	3.73%	8/27/2013	\$ 158,908	8/27/2014	158,908	-	37,536	121,372	6,030
Total Capital Leases					\$ 158,908	\$ 1,480	\$ 37,536	\$ 122,852	\$ 6,030
Total Contractual Indebtedness					\$ 2,201,119	\$ 1,480	\$ 379,340	\$ 1,823,259	\$ 93,345

CITY OF GALENA, KANSAS  
Notes to Financial Statement  
For the Year Ended December 31, 2014

**IV. Long-Term Debt (Continued)**

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	YEAR											Total
	2015	2016	2017	2018	2019	2020-2024	2025-2029	2030-2034	2035-2039	2040-2042		
<b>Principal:</b>												
General Obligation Bonds	\$ 62,061	\$ 67,277	\$ 67,563	\$ 67,827	\$ 73,101	\$ 394,906	\$ 483,370	\$ 268,390	\$ 75,293	\$ 51,799	\$	\$ 1,611,587
KDHE Loans	4,135	4,290	4,454	4,623	4,800	26,880	32,400	7,238	-	-	-	88,820
Capital Leases	39,330	40,809	42,343	370	-	-	-	-	-	-	-	122,852
<b>Total Principal</b>	<b>\$ 105,526</b>	<b>\$ 112,376</b>	<b>\$ 114,360</b>	<b>\$ 72,820</b>	<b>\$ 77,901</b>	<b>\$ 421,786</b>	<b>\$ 515,770</b>	<b>\$ 275,628</b>	<b>\$ 75,293</b>	<b>\$ 51,799</b>	<b>\$</b>	<b>\$ 1,823,259</b>
<b>Interest:</b>												
General Obligation Bonds	\$ 63,095	\$ 61,748	\$ 60,054	\$ 58,139	\$ 56,065	\$ 240,298	\$ 152,054	\$ 44,550	\$ 17,152	\$ 3,667	\$	\$ 756,822
KDHE Loans	3,308	3,153	2,989	2,820	2,643	10,335	4,815	205	-	-	-	30,268
Capital Leases Payable	4,606	3,127	1,593	-	-	-	-	-	-	-	-	9,326
<b>Total Interest</b>	<b>\$ 71,009</b>	<b>\$ 68,028</b>	<b>\$ 64,636</b>	<b>\$ 60,959</b>	<b>\$ 58,708</b>	<b>\$ 250,633</b>	<b>\$ 156,869</b>	<b>\$ 44,755</b>	<b>\$ 17,152</b>	<b>\$ 3,667</b>	<b>\$</b>	<b>\$ 796,416</b>
<b>Total Principal and Interest</b>	<b>\$ 176,535</b>	<b>\$ 180,404</b>	<b>\$ 178,996</b>	<b>\$ 133,779</b>	<b>\$ 136,609</b>	<b>\$ 672,419</b>	<b>\$ 672,639</b>	<b>\$ 320,383</b>	<b>\$ 92,445</b>	<b>\$ 55,466</b>	<b>\$</b>	<b>\$ 2,619,675</b>

**CITY OF GALENA, KANSAS**  
Notes to Financial Statement  
December 31, 2014

**V. PENSION PLAN**

**Plan Description**

The City of Galena, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603-3869) or by calling 1-888-275-5737.

**Funding Policy**

K.S.A. 74-419 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The employer rate established by statutes for calendar year 2014 was 9.69%. For municipalities that hire a KPERS retiree from a different KPERS employer, the employer rate is 13.77% for the period January 1, 2014 to December 31, 2014 and the waiting period is 60 days. Included in this rate is the contribution for Group Death and Disability Insurance of .85%. The City of Galena, Kansas employer contributions to KPERS for the years ending December 31, 2012, 2013 and 2014 were \$65,617, \$248,375, and \$353,100, respectively, equal to the required contributions for each year as set forth by the legislature. The 2013 and 2014 contributions include contributions paid from the Hospital Fund by the Hospital Manager on behalf of Hospital Employees of \$181,486 and \$274,018, respectively and contributions paid by the City Clerk for all other City employees of \$66,889 and \$79,082, respectively.

**CITY OF GALENA, KANSAS**  
Notes to Financial Statement  
December 31, 2014

**VI. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The City pays an annual premium to the Kansas Municipal Insurance Trust (KMIT) for its workers' compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

The City continues to carry commercial insurance for all other risks of loss. There have been no significant reductions in insurance coverage. Settled claims resulting from risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**VII. OTHER POST EMPLOYMENT BENEFITS**

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

**VIII. CONTINGENCIES**

**VIII.A. LITIGATION**

The City is party to various legal proceedings which normally occur in governmental operations. While the outcome of such proceedings cannot be predicted, due to insurance maintained by the City, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

**CITY OF GALENA, KANSAS**  
Notes to Financial Statement  
December 31, 2014

**VIII. CONTINENCIES (CONTINUED)**

**VIII.B. GRANT PROGRAM INVOLVEMENT**

In the normal course of operations, the City participates in various federal and state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loans. Any liability for reimbursement, which may arise, as the result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

**VIII.C. LANDFILL CLOSURE COSTS**

The City has two active landfills available for the disposal of construction/demolition materials and used tires. The operations of the landfill are accounted for in special purpose funds. The measurement and recognition of the liability for closure are based on total estimated current cost and landfill usage to date. Expenditures and fund liabilities are recognized using the statutory basis of accounting.

When the landfill stops accepting solid waste, the City is required by federal and state law to close the landfill, including final cover and storm water management.

The estimated closure cost for these activities as of December 31, 2014 was \$1,502,889 based on cumulative landfill capacity used to date. Cost estimates are based on current data, including contracts awarded by the City, contract bids, and engineering studies. These estimates are subject to adjustment to account for inflation and for any changes in landfill condition, regulatory requirements, technologies, or cost estimates.

**IX. SUBSEQUENT EVENTS**

Management has evaluated the effects on the financial statements of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

## CITY OF GALENA, KANSAS

## Summary of Expenditures - Actual and Budget

## Regulatory Basis

For the Year Ended December 31, 2014

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Funds:	\$	\$	\$	\$	\$
General	1,553,680	55,072	1,608,752	1,443,051	(165,701)
Special Purpose Funds:					
Police Training	9,656	-	9,656	-	(9,656)
Police DUI	6,443	-	6,443	-	(6,443)
Drug Seizure	5,567	-	5,567	-	(5,567)
Fire Chassis	43,888	-	43,888	43,566	(322)
City Attorney Training	670	-	670	-	(670)
Landfill	256,000	-	256,000	263,266	7,266
Special Highway	120,804	-	120,804	124,736	3,932
Employee Benefits	202,421	-	202,421	183,994	(18,427)
Special Parks and Recreation	9,094	-	9,094	9,012	(82)
Library	61,186	-	61,186	45,399	(15,787)
Ambulance	192,182	-	192,182	190,528	(1,654)
Noxious Weeds	2,338	-	2,338	299	(2,039)
Cemetery Perpetual Care	-	-	-	-	-
Cemetery Perpetual Care Interest	1,372	-	1,372	-	(1,372)
Monofil-Bluehole	42,837	-	42,837	14,800	(28,037)
Water Meter	47,602	-	47,602	11,854	(35,748)
Park Improvements	229	-	229	-	(229)
City Beautification	481	-	481	-	(481)
Special Water	52,236	-	52,236	6,303	(45,933)
City Attorney DUI	1,160	-	1,160	-	(1,160)
Zeliken	5,683	-	5,683	-	(5,683)
Bond and Interest Funds					
Bond and Interest	175,981	-	175,981	125,981	(50,000)
Business Type Funds:					
Water	619,943	-	619,943	523,092	(96,851)
Sewer	322,785	-	322,785	646,921	324,136
Solid Waste	252,000	-	252,000	262,597	10,597

## Schedule 2-A

CITY OF GALENA, KANSAS  
General Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 123,594	\$ 156,474	\$ (32,880)
Delinquent Tax	29,562	15,000	14,562
Motor Vehicle Tax	39,521	30,652	8,869
Recreational Vehicle Tax	428	293	135
16/20 M Vehicle Tax	5,463	373	5,090
Local Alcoholic Liquor Tax	1,261	1,105	156
City and County Sales and Use Tax	506,568	529,000	(22,432)
Licenses, Permits and Fees	7,488	9,000	(1,512)
In Lieu of Taxes	5,817	-	5,817
Franchise Fees	194,581	195,000	(419)
Vehicle Inspections	5,963	6,000	(37)
Fire Contracts	2,000	2,000	-
Cemetery Lot Sales and Opening	11,281	10,000	1,281
Swimming Pool Receipts	3,171	6,000	(2,829)
Charges for Security Services	23,470	-	23,470
Fines	74,031	65,000	9,031
Donations	1,512	-	1,512
Community Building	1,190	800	390
Reimbursed Expense	42,238	-	42,238
Other	6,296	5,000	1,296
Interest	527	1,300	(773)
Grants	11,322	-	11,322
Drug Control Payments	2,083	-	2,083
Operating Transfers	418,000	464,000	(46,000)
Sale of Equipment/Materials	13,244	-	13,244
Total Receipts	\$ 1,530,611	\$ 1,496,997	\$ 33,614
Expenditures:			
General Administration	\$ 402,047	\$ 419,570	\$ (17,523)
Streets	539	59,263	(58,724)
Street Lighting	57,967	56,942	1,025
Parks	99,828	100,574	(746)
Fire	105,741	140,192	(34,451)
Vehicle Identification Numbers	630	1,000	(370)
Police	582,406	501,774	80,632
Civil Defense	6,591	19,000	(12,409)
Municipal Court	43,588	54,674	(11,086)
Cemetery	81,043	69,944	11,099
Swimming Pool	27,428	37,748	(10,320)
Operating Transfers	35,243	21,999	13,244
Capital Outlay	-	71,000	(71,000)
Adjustment for Qualifying Budget Credits	-	55,072	(55,072)
Total Expenditures	\$ 1,443,051	\$ 1,608,752	\$ (165,701)
Receipts Over (Under) Expenditures	\$ 87,560		
Unencumbered Cash-Beginning	(31,192)		
Unencumbered Cash-Ending	\$ 56,368		



Schedule 2-B

CITY OF GALENA, KANSAS  
Police Training Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Municipal Court Fees	<u>\$ 1,345</u>	<u>\$ 2,000</u>	<u>\$ (655)</u>
Expenditures:			
Public Safety	<u>\$ -</u>	<u>\$ 9,656</u>	<u>\$ (9,656)</u>
Receipts Over (Under) Expenditures	\$ 1,345		
Unencumbered Cash-Beginning	<u>11,190</u>		
Unencumbered Cash-Ending	<u>\$ 12,535</u>		

**CITY OF GALENA, KANSAS**  
Police DUI Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Municipal Court Fees	<u>\$          485</u>	<u>\$          1,200</u>	<u>\$          (715)</u>
Expenditures:			
Public Safety	<u>\$              -</u>	<u>\$          6,443</u>	<u>\$          (6,443)</u>
Receipts Over (Under) Expenditures	\$          485		
Unencumbered Cash-Beginning	<u>6,093</u>		
Unencumbered Cash-Ending	<u>\$          6,578</u>		

CITY OF GALENA, KANSAS  
Drug Seizure Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Drug Control Payments	\$ -	\$ 1,000	\$ (1,000)
Expenditures:			
Public Safety	\$ -	\$ 5,567	\$ (5,567)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	<u>6,567</u>		
Unencumbered Cash-Ending	<u>\$ 6,567</u>		

**CITY OF GALENA, KANSAS**  
 Fire Chassis Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Operating Transfers	\$ 21,999	\$ 21,999	\$ -
Expenditures:			
Capital Lease	\$ 43,566	\$ 43,888	\$ (322)
Receipts Over (Under) Expenditures	\$ (21,567)		
Unencumbered Cash-Beginning	78,315		
Unencumbered Cash-Ending	\$ 56,748		

**CITY OF GALENA, KANSAS**  
City Attorney Training Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Municipal Court Fees	<u>\$          270</u>	<u>\$          300</u>	<u>\$          (30)</u>
Expenditures:			
Public Safety	<u>\$              -</u>	<u>\$          670</u>	<u>\$          (670)</u>
Receipts Over (Under) Expenditures	\$          270		
Unencumbered Cash-Beginning	<u>779</u>		
Unencumbered Cash-Ending	<u>\$      1,049</u>		

**CITY OF GALENA, KANSAS**  
City Attorney DUI Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Municipal Court Fees	<u>\$          161</u>	<u>\$          500</u>	<u>\$          (339)</u>
Expenditures:			
Public Safety	<u>\$              -</u>	<u>\$          1,160</u>	<u>\$          (1,160)</u>
Receipts Over (Under) Expenditures	\$          161		
Unencumbered Cash-Beginning	<u>344</u>		
Unencumbered Cash-Ending	<u>\$          505</u>		

**CITY OF GALENA, KANSAS**  
Park Improvement Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Donations	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ (100)</u>
Expenditures:			
Recreation	<u>\$ -</u>	<u>\$ 229</u>	<u>\$ (229)</u>
Receipts Over (Under) Expenditures	<u>\$ -</u>		
Unencumbered Cash-Beginning	<u>29</u>		
Unencumbered Cash-Ending	<u>\$ 29</u>		

CITY OF GALENA, KANSAS  
City Beautification Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Donations	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ (100)</u>
Expenditures:			
Public Works	<u>\$ -</u>	<u>\$ 481</u>	<u>\$ (481)</u>
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	<u>281</u>		
Unencumbered Cash-Ending	<u>\$ 281</u>		



CITY OF GALENA, KANSAS  
Landfill Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Fees	\$ 104,028	\$ 250,000	\$ (145,972)
Total Receipts	<u>\$ 104,028</u>	<u>\$ 250,000</u>	<u>\$ (145,972)</u>
Expenditures:			
Health and Sanitation	\$ 43,466	\$ 50,000	\$ (6,534)
Tipping Fees	-	10,000	(10,000)
Operating Transfers	<u>219,800</u>	<u>196,000</u>	<u>23,800</u>
Total Expenditures	<u>\$ 263,266</u>	<u>\$ 256,000</u>	<u>\$ 7,266</u>
Receipts Over (Under) Expenditures	\$ (159,238)		
Unencumbered Cash-Beginning	<u>208,603</u>		
Unencumbered Cash-Ending	<u>\$ 49,365</u>		

CITY OF GALENA, KANSAS  
Special Highway Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
State of Kansas	\$ 77,942	\$ 79,560	\$ (1,618)
Operating Transfers	50,000	35,000	15,000
Total Receipts	<u>\$ 127,942</u>	<u>\$ 114,560</u>	<u>\$ 13,382</u>
Expenditures:			
Public Works	<u>\$ 124,736</u>	<u>\$ 120,804</u>	<u>\$ 3,932</u>
Receipts Over (Under) Expenditures	\$ 3,206		
Unencumbered Cash-Beginning	<u>5,814</u>		
Unencumbered Cash-Ending	<u>\$ 9,020</u>		

**CITY OF GALENA, KANSAS**  
Employee Benefits Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 119,418	\$ 151,200	\$ (31,782)
Delinquent Tax	17,704	7,000	10,704
Motor Vehicle Tax	24,481	20,148	4,333
Recreational Vehicle Tax	271	193	78
16/20 M Vehicle Tax	<u>2,741</u>	<u>245</u>	<u>2,496</u>
Total Receipts	<u>\$ 164,615</u>	<u>\$ 178,786</u>	<u>\$ (14,171)</u>
Expenditures:			
General Government	<u>\$ 183,994</u>	<u>\$ 202,421</u>	<u>\$ (18,427)</u>
Receipts Over (Under) Expenditures	\$ (19,379)		
Unencumbered Cash-Beginning	<u>100,552</u>		
Unencumbered Cash-Ending	<u>\$ 81,173</u>		

Schedule 2-M

**CITY OF GALENA, KANSAS**  
Special Liability Fund  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>
Receipts:	
Taxes and Shared Receipts:	
Ad Valorem Property Tax	\$ 4,818
Delinquent Tax	643
Motor Vehicle Tax	839
Recreational Vehicle Tax	9
16/20 M Vehicle Tax	107
Other	<u>7,629</u>
Total Receipts	<u>\$ 14,045</u>
Expenditures:	
General Government	<u>\$ 4,350</u>
Receipts Over (Under) Expenditures	\$ 9,695
Unencumbered Cash-Beginning	<u>24,144</u>
Unencumbered Cash-Ending	<u><u>\$ 33,839</u></u>

CITY OF GALENA, KANSAS  
Special Parks Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Local Alcohol Liquor Fund	\$ 1,261	\$ 1,105	\$ 156
Operating Transfers	2,800	-	2,800
Total Receipts	<u>\$ 4,061</u>	<u>\$ 1,105</u>	<u>\$ 2,956</u>
Expenditures:			
Recreation	<u>\$ 9,012</u>	<u>\$ 9,094</u>	<u>\$ (82)</u>
Receipts Over (Under) Expenditures	\$ (4,951)		
Unencumbered Cash-Beginning	<u>8,387</u>		
Unencumbered Cash-Ending	<u>\$ 3,436</u>		

CITY OF GALENA, KANSAS  
Library Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 29,871	\$ 37,816	\$ (7,945)
Delinquent Tax	6,284	4,000	2,284
Motor Vehicle Tax	8,176	6,615	1,561
Recreational Vehicle Tax	90	63	27
16/20 M Vehicle Tax	978	81	897
Total Receipts	<u>\$ 45,399</u>	<u>\$ 48,575</u>	<u>\$ (3,176)</u>
Expenditures:			
Appropriation to the Library Board	<u>\$ 45,399</u>	<u>\$ 61,186</u>	<u>\$ (15,787)</u>
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	-		
Unencumbered Cash-Ending	<u>\$ -</u>		

**CITY OF GALENA, KANSAS**  
**Ambulance Service Fund**  
**Schedule of Receipts and Expenditures - Actual and Budget**  
**Regulatory Basis**  
**For the Year Ended December 31, 2014**

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Ambulance Subsidy from Cherokee County	<u>\$ 190,528</u>	<u>\$ 192,182</u>	<u>\$ (1,654)</u>
Expenditures:			
Appropriation to Cherokee County Ambulance Association, Inc.	<u>\$ 190,528</u>	<u>\$ 192,182</u>	<u>\$ (1,654)</u>
Receipts Over (Under) Expenditures	<u>\$ -</u>		
Unencumbered Cash-Beginning	<u>\$ -</u>		
Unencumbered Cash-Ending	<u>\$ -</u>		

**CITY OF GALENA, KANSAS**  
Noxious Weed Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Taxes and Shared Receipts:			
Delinquent Tax	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Public Works	<u>\$ 299</u>	<u>\$ 2,338</u>	<u>\$ (2,039)</u>
Receipts Over (Under) Expenditures	\$ (299)		
Unencumbered Cash-Beginning	<u>2,654</u>		
Unencumbered Cash-Ending	<u>\$ 2,355</u>		



**CITY OF GALENA, KANSAS**  
**Cemetery Perpetual Care Fund**  
**Schedule of Receipts and Expenditures - Actual and Budget**  
**Regulatory Basis**  
**For the Year Ended December 31, 2014**

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Fees	\$ -	\$ 2,000	\$ (2,000)
Interest	184	155	29
Donations	50	-	50
	<u>          </u>	<u>          </u>	<u>          </u>
Total Receipts	\$ 234	\$ 2,155	\$ (1,921)
	<u>          </u>	<u>          </u>	<u>          </u>
Expenditures:			
Cemetery Maintenance	\$ -	\$ -	\$ -
	<u>          </u>	<u>          </u>	<u>          </u>
Receipts Over (Under) Expenditures	\$ 234		
	<u>          </u>		
Unencumbered Cash-Beginning	125,744		
	<u>          </u>		
Unencumbered Cash-Ending	\$ 125,978		
	<u>          </u>		

## Schedule 2-S

CITY OF GALENA, KANSAS  
 Cemetery Perpetual Care Interest Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Interest	\$ 89	\$ 250	\$ (161)
Expenditures:			
Cemetery Maintenance	\$ -	\$ 1,372	\$ (1,372)
Receipts Over (Under) Expenditures	\$ 89		
Unencumbered Cash-Beginning	1,043		
Unencumbered Cash-Ending	\$ 1,132		

## Schedule 2-T

CITY OF GALENA, KANSAS  
Equipment Reserve Fund  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>
Receipts:	
Operating Transfers	<u>\$          13,244</u>
Expenditures:	
Equipment	<u>\$                  -</u>
Receipts Over (Under) Expenditures	\$          13,244
Unencumbered Cash-Beginning	<u>                  3,672</u>
Unencumbered Cash-Ending	<u><u>\$          16,916</u></u>

Schedule 2-U

CITY OF GALENA, KANSAS  
Sewer Equipment Reserve Fund  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>
Receipts:	
Operating Transfers	<u>\$ 10,254</u>
Expenditures:	
Equipment	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 10,254
Unencumbered Cash-Beginning	<u>15,275</u>
Unencumbered Cash-Ending	<u><u>\$ 25,529</u></u>

Schedule 2-V

CITY OF GALENA, KANSAS  
Monofill-Bluehole Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Operating Transfers	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>
Expenditures:			
Monofill Fees	<u>\$ 1,800</u>	<u>\$ 42,837</u>	<u>\$ (41,037)</u>
Operating Transfers	<u>13,000</u>	<u>-</u>	<u>13,000</u>
Total Expenditures	<u>\$ 14,800</u>	<u>\$ 42,837</u>	<u>\$ (28,037)</u>
Receipts Over (Under) Expenditures	<u>\$ (13,800)</u>		
Unencumbered Cash-Beginning	<u>13,837</u>		
Unencumbered Cash-Ending	<u>\$ 37</u>		

Schedule 2-W

**CITY OF GALENA, KANSAS**  
Bond and Interest Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 138,951	\$ -	\$ 138,951
Delinquent Tax	1,415	-	1,415
Total Receipts	<u>\$ 140,366</u>	<u>\$ -</u>	<u>\$ 140,366</u>
Expenditures:			
Debt Service	<u>\$ 125,981</u>	<u>\$ 175,981</u>	<u>\$ (50,000)</u>
Receipts Over (Under) Expenditures	\$ 14,385		
Unencumbered Cash-Beginning	<u>-</u>		
Unencumbered Cash-Ending	<u>\$ 14,385</u>		

CITY OF GALENA, KANSAS  
Water Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	\$ 605,115	\$ 630,000	\$ (24,885)
Other	6,768	10,000	(3,232)
Total Receipts	<u>\$ 611,883</u>	<u>\$ 640,000</u>	<u>\$ (28,117)</u>
Expenditures:			
Personal Services	\$ 106,941	\$ 180,000	\$ (73,059)
Contractual Services	57,849	100,000	(42,151)
Commodities	331,061	310,000	21,061
Capital Outlay	-	10,000	(10,000)
Other	-	500	(500)
Debt Service	7,443	7,443	-
Operating Transfers	19,798	12,000	7,798
Total Expenditures	<u>\$ 523,092</u>	<u>\$ 619,943</u>	<u>\$ (96,851)</u>
Receipts Over (Under) Expenditures	\$ 88,791		
Unencumbered Cash-Beginning	<u>(39,643)</u>		
Unencumbered Cash-Ending	<u>\$ 49,148</u>		

Schedule 2-Y

CITY OF GALENA, KANSAS  
Customer Deposit Fund  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>
Receipts:	
Utility Deposits	<u>\$          12,456</u>
Expenditures:	
Refunds	<u>\$          12,741</u>
Receipts Over (Under) Expenditures	<u>\$             (285)</u>
Unencumbered Cash-Beginning	<u>82,883</u>
Unencumbered Cash-Ending	<u><u>\$          82,598</u></u>



**CITY OF GALENA, KANSAS**  
Special Water Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Operating Transfers	<u>\$        12,000</u>	<u>\$        12,000</u>	<u>\$              -</u>
Expenditures:			
Public Works	<u>\$          6,303</u>	<u>\$        52,236</u>	<u>\$      (45,933)</u>
Receipts Over (Under) Expenditures	\$          5,697		
Unencumbered Cash-Beginning	<u>57,076</u>		
Unencumbered Cash-Ending	<u>\$        62,773</u>		

CITY OF GALENA, KANSAS  
Water Meter Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Operating Transfers	<u>\$ 7,798</u>	<u>\$ -</u>	<u>\$ 7,798</u>
Expenditures:			
Water Meters	<u>\$ 11,854</u>	<u>\$ 47,602</u>	<u>\$ (35,748)</u>
Total Expenditures	<u>\$ 11,854</u>	<u>\$ 47,602</u>	<u>\$ (35,748)</u>
Receipts Over (Under) Expenditures	\$ (4,056)		
Unencumbered Cash-Beginning	<u>75,629</u>		
Unencumbered Cash-Ending	<u>\$ 71,573</u>		

CITY OF GALENA, KANSAS  
Sewer Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	\$ 335,196	\$ 310,000	\$ 25,196
Other	-	3,000	(3,000)
Operating Transfers	76,225	-	76,225
Total Receipts	<u>\$ 411,421</u>	<u>\$ 313,000</u>	<u>\$ 98,421</u>
Expenditures:			
Personal Services	\$ 34,912	\$ 37,500	\$ (2,588)
Contractual Services	46,063	120,000	(73,937)
Commodities	62,558	120,000	(57,442)
Other	-	500	(500)
Capital Outlay	2,475	10,000	(7,525)
Operating Transfers	500,913	34,785	466,128
Total Expenditures	<u>\$ 646,921</u>	<u>\$ 322,785</u>	<u>\$ 324,136</u>
Receipts Over (Under) Expenditures	\$ (235,500)		
Unencumbered Cash-Beginning	<u>391,293</u>		
Unencumbered Cash-Ending	<u>\$ 155,793</u>		

Schedule 2-CC

**CITY OF GALENA, KANSAS**  
Sewer 2001 Bond Reserve Fund  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>
Receipts:	
Operating Transfers	<u>\$ 15,250</u>
Expenditures:	
Operating Transfers	<u>\$ 76,225</u>
Receipts Over (Under) Expenditures	\$ (60,975)
Unencumbered Cash-Beginning	<u>60,975</u>
Unencumbered Cash-Ending	<u><u>\$ -</u></u>

Schedule 2-DD

**CITY OF GALENA, KANSAS**  
Sewer 2001 Principal and Interest Fund  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2014

	<u>Actual</u>
Receipts:	
Operating Transfers	<u>\$        281,410</u>
Expenditures:	
Debt Service	<u>\$        296,016</u>
Receipts Over (Under) Expenditures	\$        (14,606)
Unencumbered Cash-Beginning	<u>14,606</u>
Unencumbered Cash-Ending	<u><u>\$                -</u></u>

CITY OF GALENA, KANSAS  
Solid Waste Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	\$ 246,689	\$ 224,500	\$ 22,189
Franchise Fees	-	21,000	(21,000)
Other	-	1,200	(1,200)
Total Receipts	<u>\$ 246,689</u>	<u>\$ 246,700</u>	<u>\$ (11)</u>
Expenditures:			
Personal Services	\$ 102,459	\$ 95,000	\$ 7,459
Contractual Services	100,028	66,500	33,528
Commodities	15,110	15,000	110
Operating Transfers	45,000	75,000	(30,000)
Other	-	500	(500)
Total Expenditures	<u>\$ 262,597</u>	<u>\$ 252,000</u>	<u>\$ 10,597</u>
Receipts Over (Under) Expenditures	\$ (15,908)		
Unencumbered Cash-Beginning	<u>25,121</u>		
Unencumbered Cash-Ending	<u>\$ 9,213</u>		

CITY OF GALENA, KANSAS  
 Zelliken Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2014

	Actual	Budget	Variance - Over (Under)
Receipts:			
Interest	\$ -	\$ -	\$ -
Expenditures:			
Welfare	\$ -	\$ 5,683	\$ (5,683)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	5,683		
Unencumbered Cash-Ending	\$ 5,683		